



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
BOSTON REGIONAL OFFICE**

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December 15, 2020

Via ECF Filing

Hon. Colleen McMahon
Chief District Court Judge
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl St.
New York, NY 10007

Re: Securities and Exchange Commission v. Cohen, No. 19-cv-09645

Dear Chief Judge McMahon:

Plaintiff Securities and Exchange Commission ("Commission") respectfully submits this letter to inform the Court that the Commission and George Nikas ("Nikas") have reached a proposed settlement in this case.¹ Enclosed for the Court's consideration is a proposed judgment (the "Judgment") along with Nikas's executed consent to the Judgment.

The consent Judgment is fair and reasonable and in the public interest, in light of *SEC v. Citigroup Global Markets, Inc.*, 752 F.3d 285 (2d Cir. 2014). Among other things, the Judgment: (1) permanently enjoins Nikas from committing additional violations of the federal securities laws the Commission charged him with violating, including an injunction against engaging in fraud in connection with the purchase or sale of any security; and (2) imposes a civil penalty of \$5.3 million,² pursuant to 15 U.S.C. § 78u-1. In addition, upon the entry of the Judgment, and with Nikas's agreement, assets presently frozen by the Court's order in this case will be transferred to the Commission in satisfaction of the \$5.3 million penalty to be imposed upon entry of the final Judgment.

As the Court is aware, the Commission has also filed a second civil action against Nikas alleging violations of the securities laws in connection with another insider trading scheme. The parties have reached a proposed settlement in that civil action (docketed as *SEC v. Taylor, Windsor, et al.*, 19 Civ. 7944 (LAP)) and are simultaneously submitting a proposed Final Judgment for Judge Preska's consideration, which, if entered, would impose similar injunctive relief as in the instant case, along with a \$1.5 million civil penalty, to be satisfied from assets

¹ Nikas has been indicted by the United States Attorney's Office for the Southern District of New York in connection with the insider trading schemes alleged in the civil cases before Your Honor and before the Honorable Loretta A. Preska. It is the Commission's understanding that Nikas, a citizen of Greece, remains a fugitive in the criminal case.

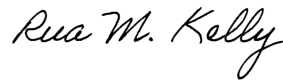
² The Complaint alleges trading profits of \$2,629,495. See ECF Doc. 5 at ¶¶ 62, 80.

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frozen by the Court in this civil action (specifically, proceeds from the sale of Nikas's Manhattan apartment).

If the Judgment is acceptable to the Court, we respectfully ask that the Court docket the executed copy of it with the enclosed consent and Exhibit A attached.

Respectfully,

A handwritten signature in black ink that reads "Rua M. Kelly". The signature is written in a cursive, flowing style.

Rua M. Kelly
Senior Trial Counsel

Cc:
Henry Klingeman, Esq. (by ECF filing and email)